

File as info.

Moonlight Tobacco / Expansion Markets

New York Metro Region

"Confidential"

Lanau
discuss with Mike
McHugh
Mark

51856 0058

Moonlight Immediate Expansion

☐ Targeted Expansion Markets:

<u>Hoboken NJ</u>	<u>40 - 50 stores</u>	<u>(Bee's / Metro)</u>
<u>Staten Island</u>	<u>30 - 40 stores</u>	<u>(Bee's / Metro)</u>
<u>Flushing Queens</u>	<u>30 - 40 stores</u>	<u>(Bee's / Jumbo)</u>
<u>Bay Ridge / Brooklyn</u>	<u>40 - 50 stores</u>	<u>(Bee's / Jumbo)</u>
<u>Park Slope / Brooklyn</u>	<u>25 - 35 stores</u>	<u>(Bee's / Jumbo)</u>
<u>Harlem</u>	<u>20 - 30 stores</u>	<u>(Bee's / City / Metro)</u>

☐ Direct Accounts:

Bonanza
H. Levinson
Amsterdam
Mandel
Globe
Borough Hall
Tiger Tobacco
So. Beach
Trenk
Glikin B.

<u>Bee's</u>	<u>Sedona</u>	<u>City</u>	<u>Metro</u>	<u>Jumbo</u>
<u>Bee's</u>	<u>Sedona</u>	<u>City</u>	<u>Metro</u>	<u>Jumbo</u>
<u>Bee's</u>	<u>Sedona</u>	<u>City</u>	<u>Metro</u>	<u>Jumbo</u>
<u>Bee's</u>	<u>Sedona</u>	<u>City</u>	<u>Metro</u>	<u>Jumbo</u>
<u>Bee's</u>				<u>Jumbo</u>
<u>Bee's</u>				<u>Jumbo</u>
<u>Bee's</u>				<u>Jumbo</u>
<u>Bee's</u>			<u>Metro</u>	
<u>Bee's</u>			<u>Metro</u>	
<u>Bee's</u>			<u>Metro</u>	

Possibly - Livingston? - check with Mike

☐ Support Material:

■ Retail Kits:

Display
Dangler
Lg. decal
Sm. decals
Brand cards

One Kit

- Extra Large Decals:
- Riser Cards:
- Extra Small Decals:
- Match Caddies:
- "Lighted Signs":
- Sales Brochures

<u>ROU Warehouse</u>		<u>Queens Warehouse</u>	
<u>Hoboken</u>	<u>St. Island</u>	<u>Brooklyn</u>	<u>Flushing</u>
70	50	65	85
80	70	60	90
100	100	75	100
100	100	100	100
80	70	70	90
14	11	10	10
150		150	

☐ SALES OBJECTIVE & TIMING:

Present new direct accounts ASAP
 Work DTS as soon as product is available!

Tony has samples / sales brochures, etc. just ask.

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MOONLIGHT TOBACCO COMPANY
Direct Account Fact Sheet
New York Metro

ORDERING: First Ship Date - September 5, 1995

PRICING:

Moonlight Tobacco Co. brands are available only in 6m cases. List prices are as follows:

	<u>Carton</u>	<u>(6M) Case</u>	<u>List Price</u>
SEDONA FF Box	\$ 11.49	\$ 344.70	\$ 57.45/M
SEDONA Lts Box	\$ 11.49	\$ 344.70	\$ 57.45/M
CITY FF Box 100	\$ 11.49	\$ 344.70	\$ 57.45/M
CITY Lts Box 100	\$ 11.49	\$ 344.70	\$ 57.45/M
METRO Lts Slim Box 100	\$ 11.49	\$ 344.70	\$ 57.45/M
METRO Mthl Lts Slim Box 100	\$ 11.49	\$ 344.70	\$ 57.45/M
JUMBOS FF	\$ 11.49	\$ 344.70	\$ 57.45/M
JUMBOS Lts	\$ 11.49	\$ 344.70	\$ 57.45/M

PRODUCT DIMENSIONS & WEIGHTS

	<u>Length</u>	<u>Width</u>	<u>Height</u>	<u>Cube (ft.)</u>	<u>Weight</u>
SEDONA (83mm Box)					
Pack	2.2047"	0.9055"	3.4055"	.004	.933 oz.
Carton	11.125"	1.875"	3.4375"	.041	10.13 oz.
6M Case	17.375"	11.3125"	11.125"	1.265	19.8 lbs.
CITY (100mm Box)					
Pack	2.2188"	0.9375"	3.9688"	.005	1.067 oz.
Carton	11.125"	1.875"	4.0625"	.049	11.47 oz.
6M Case	20.625"	11.6875"	11.6875"	1.630	22.0 lbs.
METRO (Slims Lts 100mm Box)					
Pack	2.0938"	0.8438"	3.9688"	.004	.947 oz.
Carton	10.5000"	1.7813"	4.0313"	.044	10.27 oz.
6M Case	20.6875"	11.0625"	11.0625"	1.465	20.5 lbs.
JUMBOS (Wides Box)					
Pack	2.4375"	0.969"	3.2813"	.004	1.09 oz.
Carton	9.78125"	2.53125"	3.328125"	.047	11.7 oz.
6M Case	17.000"	15.4375"	10.3125"	1.566	23.0 lbs.

UPC INFORMATION

<u>Style</u>	<u>Pack</u>	<u>Carton</u>	<u>6M Case</u>
SEDONA FF Box	12300 22485	12300 22486	12300 22487
SEDONA Lts Box	12300 22488	12300 22489	12300 22490
CITY FF Box 100	12300 22571	12300 22572	12300 22573
CITY Lts Box 100	12300 22574	12300 22575	12300 22576
METRO Slim Lts Box 100	12300 22577	12300 22578	12300 22579
METRO Mthl Slim Lts Box 100	12300 22580	12300 22581	12300 22582
JUMBOS FF Box	12300 22497	12300 22498	12300 22499
JUMBOS Lts Box	12300 22550	12300 22551	12300 22552

TAX STAMPING ALLOWANCE

A tax stamping allowance of \$2.50 per 6m case will be made available to the direct account for the manual stamping of the JUMBOS (Wides) brand. This allowance will automatically be deducted from invoice amount.

51856 0060



November 1, 1995

M.A. YOUNG
Regional Sales Manager

To: Dirk Herrman

400 Raritan Center Parkway
Raritan Center
Edison, NJ 08837
908-225-4774
Fax 908-417-9076

Subject: Moonlight Tobacco Update (November 1995)

Dear Dirk,

As we discussed earlier today, I personally feel from my observations last week, the "Moonlight" products offer this low share Region a tremendous opportunity to gain **"NET NEW BUSINESS"**. After calling on approximately 30 Moonlight accounts last Monday night in Manhattan with DM Addressi, these are my observations:

CURRENT

- ☐ After the 3 day Division blitz, we now have Moonlight distribution in approximately 235 *retail accounts* (very targeted).
- ☐ The product is definitely gaining consumer interest and most importantly, "*Consumer Trial*" in the stores called on.
- ☐ The point of sale material apparently does the job by getting the consumers attention. The 30 pack display, appears to be workable in most calls, however it is always in a secondary position due to the high payments from all other cigarette manufacturers.
- ☐ "*Bees, Sedona and Jumbo's*" are definitely the best selling in the Lower Manhattan area. Of the 30 stores called on, we observed almost total out-of stock conditions on Bees and approximately a 70% out-of-stock rate on Sedona. Sales on City and Metro was slow, however movement was noted.
- ☐ Our current Moonlight Representative (*James*) was making good coverage for the week, however one Representative just cannot keep up with the store needs (*what a great problem to have in the city, the brands are selling too fast!*)
- ☐ We also found out that consumer offers were extremely easy to make to competitive Marlboro smokers, as well as American Spirit consumers.
- ☐ As a last observation, we went into a higher volume store (200 cartons per week) that sells approximately 35 to 40 cartons of American Spirit weekly. In the six days since the Moonlight products had been introduced to the store, 21 cartons had been sold as well as a 30 carton order of Moonlight was being delivered by James the next day. The store owner said that several of the Moonlight purchases were made by American Spirit Smokers.

"We work for smokers."

OUR IMMEDIATE ACTION PLAN:

PROBLEM

- ☐ Too Many Out-of-Stocks
- ☐ Grow Manhattan from 235 to 400 stores with Moonlight

ACTION PLAN / NOW

- ☐ Put Moonlight into 6 additional direct accounts that service Manhattan area. This will allow the approx. 50% of the stores that will carry inventory, to order directly from their supplier when needed. (the other 50%, order from sub-jobbers and are lower volume Moonlight Rep's must call on & sell these stores off the car to maintain distribution).
- ☐ We received approval to change the Moonlight Rep. position from SRT (part time) to Territory Representative (Full time position with benefits). This change will allow us the ability to hire qualified individuals quicker due to higher salary and benefits. We anticipate having all three Moonlight Rep's on the street by the end of November.
- ☐ The Manhattan division Sales Rep's will also continue to support Moonlight in their existing calls, as well as introduce to new calls, until the new Moonlight Rep's are up and running. This will be accomplished as they perform their normal accountabilities.

PLANNED REGION EXPANSION OF MOONLIGHT:

- ♦ Priority #1 (see map): With the continued assistance of the Division Sales Representatives, Moonlight available in several direct accounts (available for the stores to order on their own) and having all three Moonlight Representative positions filled, we will continue to expand Manhattan distribution to a min. of 400 stores. The three Moonlight Representatives, once the store has been set-up with Moonlight distribution, display, and advertising, will be able to service 15 calls per day in the future. This is over 220 stores weekly.
- ♦ Priority #2 Harlem and Hoboken NJ (see map): Expansion to the Harlem area will be planned in November (approximately 25 targeted calls to start). Introduction of the product and setting the displays and POS will be completed by the Harlem Sales Rep and on-going maintenance will be handled by one of the three Moonlight Reps.

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The Hoboken NJ expansion will also be targeted for the month of November. This area has an extremely high concentration of young adult population, that in most cases work in Manhattan (take the Hoboken Ferry daily to work). The 30 to 40 targeted calls will be worked by an existing Territory Representative in the marketplace. Unlike Manhattan, these stores are very willing to carry large levels of cigarette inventory, and will order the Moonlight product from the direct accounts weekly if it sells. These stores will be no problem to work.

♦ **Priority #3 Staten Island and Flushing (see map):** We will begin expanding to these two markets in late November (if possible) or at the latest, in December. Staten Island will be worked totally by one of the three Moonlight Representatives (40 stores).

The Flushing area of Queens will be worked by the division's existing Territory Representative (40 to 50 calls). This area, which is densely populated with YOUNG ADULT ASIAN AMERICANS, offers a huge opportunity for BEE's in our opinion. The current top selling brands in this market include Wave, Viceroy and numerous other import brands.

♦ **Priority #4 Brooklyn (see map):** This area of approximately 100 stores also offer a huge opportunity for Moonlight, with the high concentration of young adult smokers. We will expand to this market in January. With the change to SF2000, we must get the new salesforce up and running with our primary company accountabilities (3 P's) prior to introducing Moonlight.

Dirk, as you can see, we have set an aggressive action plan designed to get Moonlight in over **500 stores by year-end**, and **over 600 in early January**. We feel this is a very realistic goal now that the region has SF2000 moving in the right direction. As in the past, we will keep you updated on our progress, as well as letting you know of any additional support that we as a region need for Moonlight. **"We look forward to our JOINT SUCCESS with MOONLIGHT in the New York Metro Region"**.

Sincerely,

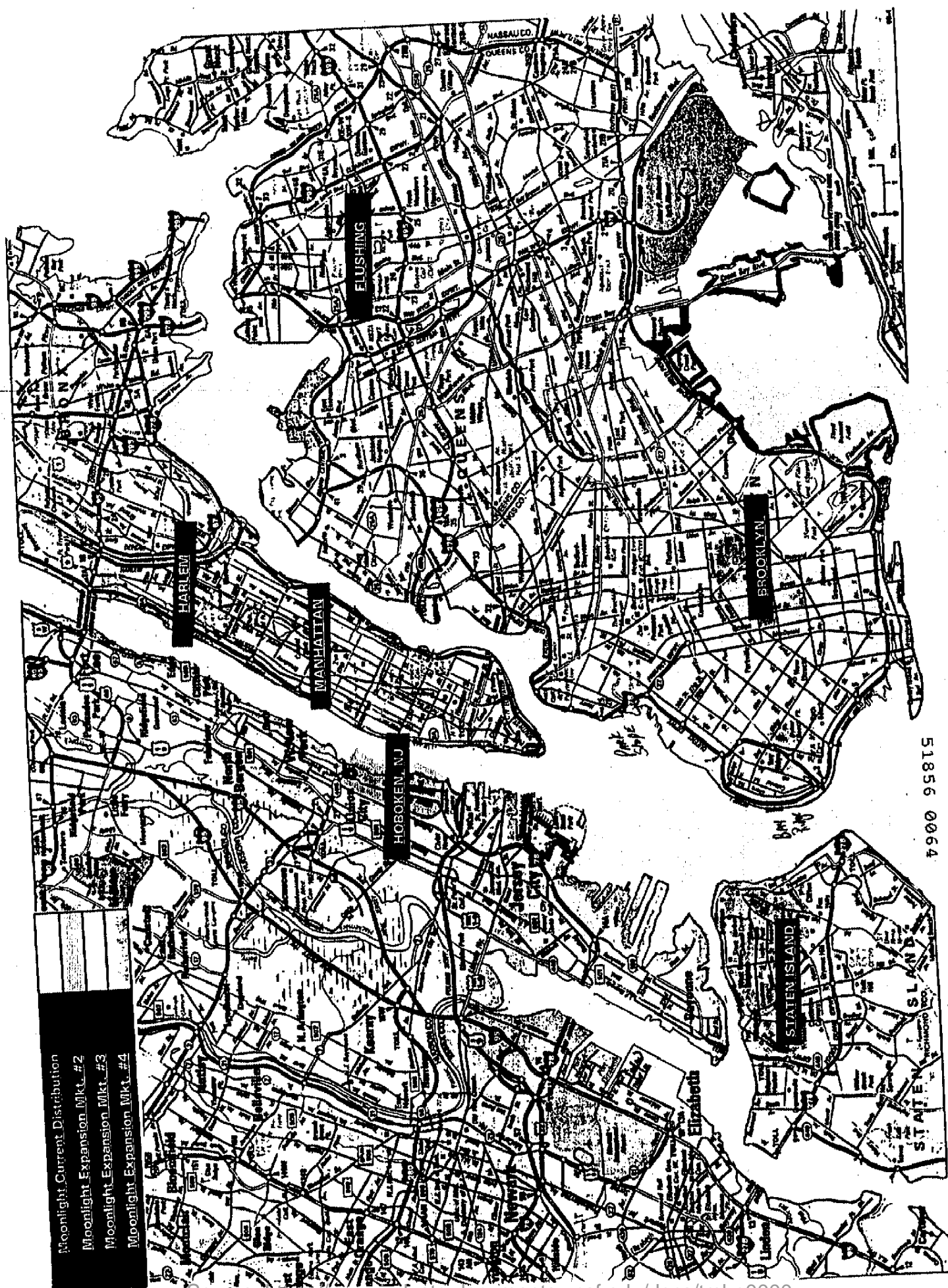


Mark Young

cc: Dave Wilmesher
DM Tony Addresssi
DM Steve Grossberg
DM Mike McHugh
DM Greg Mitchell
DM Lee Maney
Rory O'Rourke
Lori O'Conner

attachements

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